



The Comptroller of Maryland's Voluntary Disclosure Agreement Program

The Comptroller's Office offers a voluntary disclosure agreement ("VDA") program that allows businesses and individuals to voluntarily report and pay past due Maryland tax liabilities. The VDA program is available for all taxes and fees administered by the Comptroller's Office. The program is confidential.

What are the benefits of the VDA program?

The Comptroller's office will waive any penalties upon payment of tax and interest through the VDA program. The taxpayer will not be responsible for any unfiled tax returns or unpaid tax liabilities prior to the lookback period for that tax type.

What is the lookback period for each tax type?

The lookback period for corporate and individual income tax is four years. The lookback period includes tax for the most recent tax year for which a filing is past due, plus the three years immediately preceding. The lookback period for sales and use tax and admissions and amusement tax is four years.

Are there any restrictions on entering into a VDA?

The VDA program applies only if we have not previously contacted you about the liability. Therefore, you cannot apply for a VDA if you are currently under audit or already have an existing liability on your account for the tax type requested through the VDA process. VDA requests to report tax or fee liabilities for zero dollars are also not accepted.

What is the process for entering into a VDA with the Comptroller's office?

The taxpayer makes the initial contact with the Comptroller's office through a third party, usually an accountant or tax attorney. The taxpayer remains anonymous throughout the negotiation and agreement process. The third party must provide a letter request, on the taxpayer's behalf, that explains the reason for a Maryland liability.

The letter request should clearly state the taxpayer has not been previously contacted by our office about its tax obligations and should also state an approximate amount of the liability for the applicable lookback period.

For businesses, the letter should explain the taxpayer's Maryland business activity and when the activity started in the State. The explanation should include all nexus issues, such as personnel, inventory, property, etc.

The Comptroller's office will send the third party a draft VDA for review. The third party has an opportunity to send revisions, additions or deletions to the draft VDA back to the Comptroller's office. If the revised VDA from the third party is acceptable, the Comptroller's office will send a final version for signature by the taxpayer. The identity of the taxpayer is not disclosed until the final draft is signed and returned to the Comptroller's office.

Once both parties execute the VDA, the taxpayer usually has sixty days to report and pay the tax due. Interest will be calculated by the Comptroller's office and payable after tax has been paid by the taxpayer.

The Comptroller reserves the right to audit any reported amounts within the lookback period. The VDA will be void if any misrepresentations are made.

How do I send in a request for a VDA?

Requests for a VDA must be made in writing. You can either e-mail your request to cdvda@marylandtaxes.gov or mail your request to the following address:

**Comptroller of Maryland
Compliance Division
Voluntary Disclosure Program
301 West Preston Street, Room 203
Baltimore, Maryland 21201**

For more information about the VDA program, e-mail cdvda@marylandtaxes.gov or call 410-767-1555 from Central Maryland or 1-888-674-0020 from elsewhere.

Unclaimed Property Voluntary Disclosure Program

If you are interested in entering into an Unclaimed Property VDA, the Comptroller's Office provides holders who have underreported or failed to previously report abandoned property to the State an opportunity to voluntarily comply with the requirements of the Maryland Abandoned Property Act. Interested holders can satisfy their past abandoned property obligations, avoid an audit, and forego penalties on delinquent remittances.